

ON THE WAY TO A NEW AND BETTER GOVERNANCE

July 2017



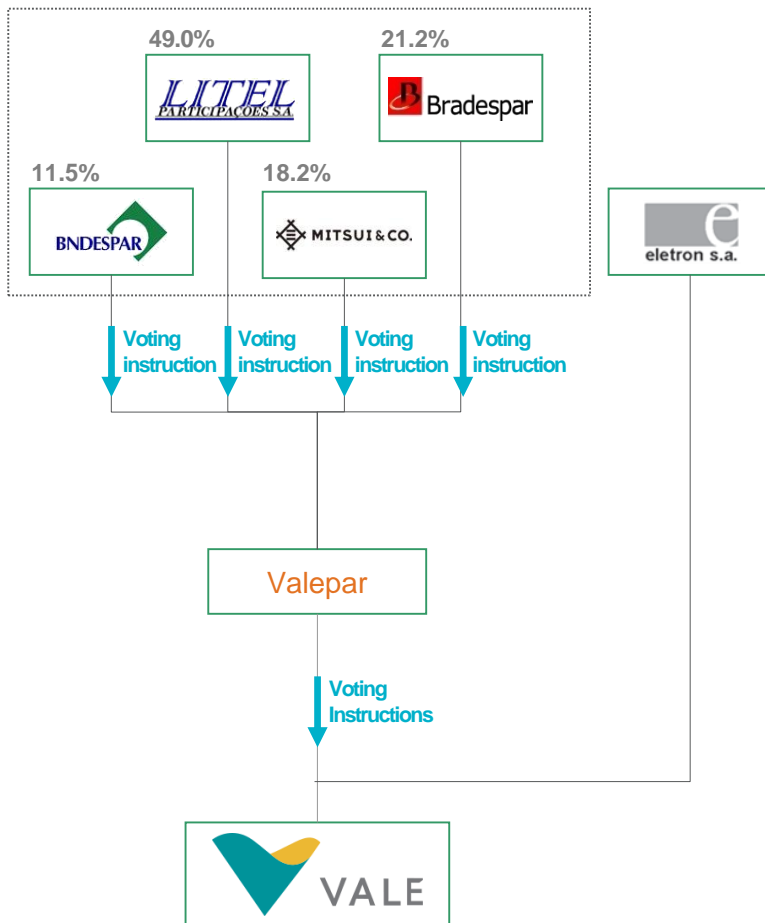
This announcement may include statements that present Vale's expectations about future events or results. All statements, when based on future expectations, involve various risks and uncertainties. Vale can not guarantee that such statements will be correct. These risks and uncertainties include factors related to: (a) completion of the transaction described in this presentation, (b) countries where we have operations, mainly Brazil and Canada, (c) global economy, (d) capital markets, Minerals and metals and its dependence on global industrial production, which is cyclical in nature, and (f) a high degree of global competition in the markets where Vale operates. For additional information on factors that may give rise to results different from those estimated by Vale, please refer to the reports filed with the Brazilian Securities and Exchange Commission (CVM), the US Securities and Exchange Commission (SEC) and the Autorité des Marchés Financiers (AMF). Factors discussed in the "Estimates and projections" and "Risk factors" sections of Vale's Annual Report - Form 20F.

Disclaimer

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**How Governance
work today?**

Procedures of Vale's current governance



- Control exercised since privatization in 1997 by Valepar with 33.7% of the total capital and 53.8% of the common shares
- Existence of several levels of decision requiring meetings prior to the Board of Directors' meeting
- Low minority shareholders' influence on the composition of the Board of Directors

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**What is the
ongoing
transformation?**

Operation approved in the EGM of June 27

Voluntary Conversion of Preferred Shares into Common Shares

- Conversion rate of 0.9342 ON for each PN (based on market prices)

Valepar Merge into Vale

- Merge of Valepar by Vale with a 10% premium and migration of Valepar shareholders to direct Vale shareholders

Change of Vale's Bylaws

- In line with the rules of BM&FBovespa's Novo Mercado listing segment

- Unification of share classes
- Difusion of shareholding capital and end of Valepar
- Adoption of best corporate governance practices

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**What are the
benefits and points
of attention?**

Benefits and points of attention for minority investors in the conversion

Examples of Benefits

- Potential valuation of shares
- Increase in the representation of minority shareholders
- Simplification of complexity in the decision-making process
- Adoption of international governance practices
- 100% *Tag along*¹ for minority shareholders

Points of attention for migration

Migration to common shares (higher-priced share class), with exchange ratio of 0.9342 preferred shares per common share, implies a dilution of 7.4% for preferred shareholders after the conversion of the shares and Valepar's merger into Vale

The conversion of PNs into ONs is voluntary and shareholders must formally manifest during the conversion window until August 11, 2017

¹ Equal treatment ensured to all ordinary shares through a mandatory public offering to acquire all outstanding shares of the Company in the event of transfer of control

Historical spread between the ON and PN shares of Vale

Historical Spread

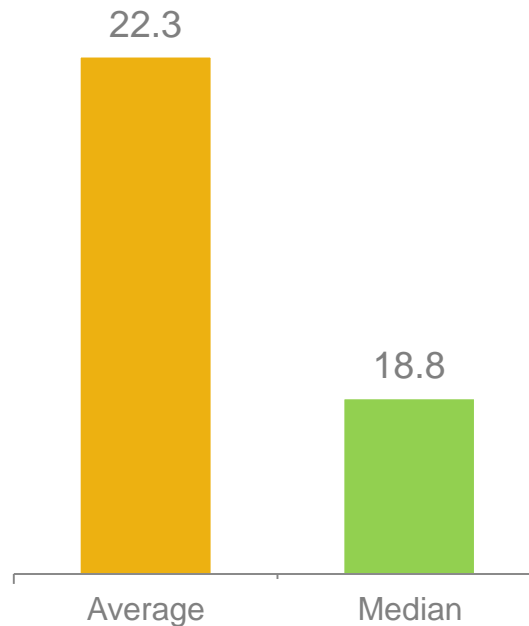
ONs vs PNs



Conversion at the lowest historical spread level in the last 15 years

Valuation of the share in similar transactions

% valuation, 60 after transaction



Average valuation of 22.3% in the last transactions of the same nature¹

¹ Last 16 transactions

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**What to do and what
is the timeline?**

Implementation Schedule

July					August			
Week started in:					Week started in :			
2	9	16	23	30	11	13	20	27
• 28 June – 11 August: Vale Voluntary Conversion Period					• 11 August: End of Conversion Period			

Required minimum adhesion of 54.09% of the preferred shares until August 11, 2017 to enable the transaction

Procedures for voluntary conversion of shares

The shareholder should contact his bank and / or brokerage firm and request the conversion of PN shares before August 11, 2017



VALE